

To: barbara.lee[barbara.lee@dtsc.ca.gov]
From: Manzanilla, Enrique
Sent: Tue 3/1/2016 1:38:53 AM
Subject: Fwd: Legislative Analyst's Request
[DRAFT 2016.02.29 DTSC Projected Financial Obligations at NPL Sites.xlsx](#)
[ATT00001.htm](#)
[Historic DTSC Receipts for RA and LTRA Costs.pdf](#)
[ATT00002.htm](#)

Hello Barbara

I wanted to make sure you were in the loop on this information we passed along to the LAO earlier today. It's been shared with your staff so you may have received it already.

I will be in your neck of the woods tomorrow for discussions on argonaut and exide. Perhaps our paths might cross.

Take care

Enrique

Sent from my iPhone

Begin forwarded message:

From: "Lyons, John" <Lyons.John@epa.gov>
Date: February 29, 2016 at 4:28:05 PM PST
To: "Ridenour, Charlie@DTSC" <Charlie.Ridenour@dtsc.ca.gov>
Cc: "Lofstrom, Dot@DTSC" <Dot.Lofstrom@dtsc.ca.gov>, "ray.leclerc@dtsc.ca.gov" <ray.leclerc@dtsc.ca.gov>, "Shaffer, Caleb" <Shaffer.Caleb@epa.gov>
Subject: FW: Legislative Analyst's Request

Hi Folks

Please below for our response today to Mr. Martin of the California Legislative Analyst's Office. As noted below, we are still in the process of evaluating our projections for four NPL sites – so we plan on sending him an updated response later this week. Charlie and I have already talked about having a DTSC/EPA meeting soon to discuss our estimates of costs and timing. I'd suggest that we try to have that meeting in the next couple of weeks.

In the meantime, if you have any initial questions or observations, please let Caleb or me know.

Thanks

John

John Lyons

Acting Assistant Director

California Site Cleanup and Enforcement Branch

Superfund Division, Region 9

(415) 972-3889

From: Shaffer, Caleb

Sent: Monday, February 29, 2016 3:28 PM

To: Martin, Shawn <Shawn.Martin@LAO.CA.GOV>

Cc: Parker, Heather <Parker.Heather@epa.gov>; Lyons, John <Lyons.John@epa.gov>

Subject: RE: Legislative Analyst's Request

Hi Shawn-

I hope you are well. In response to your inquiry, attached you will find two documents describing state financial obligations at federal Superfund sites. The first attachment is a spreadsheet listing the known fund-lead NPL sites in California for which DTSC currently has or will have Operation and Maintenance (O&M), 10% Remedial Action (RA) or Long-term Remedial Action (LTRA) cost share obligations within the next five federal fiscal years. Also attached is a graph showing historic receipts for DTSC for RA and LTRA costs for the last 10 fiscal years. Please note that this graph only reflects RA and LTRA costs to DTSC. Historic O&M costs are not included in this, as we do not typically receive that information from the state.

The attached spreadsheet includes all but four of the current fund-lead NPL sites in California. A couple of our project managers are currently out of the office, so we are still collecting information about these sites (Alark Hard Chrome, Brown & Bryant, Inc., Lava

Cap Mine, and Pemaco). We anticipate sending you an updated spreadsheet, which will include the four sites listed above, by Wednesday, March 2. The costs we have projected in the spreadsheet follow EPA's fiscal year, which runs from October 1 to September 31.

DTSC, as a support agency for all of these cleanups, is involved in remedy selection and implementation all of EPA's NPL sites. For many of the sites we have listed, we have not yet selected a remedy or finalized key decision documents (i.e. a Feasibility Study or Record of Decision). Therefore, many of the costs that we are presenting in this spreadsheet are estimates based on the best information currently available to us. These estimates are based on a variety of information, but may make assumptions based on the costs of similar remedies already implemented at the site or at other comparable sites. With this caveat, actual futures costs might differ from these estimates. At some sites, we do currently have feasibility studies, so the costs we have projected for these are more certain since the feasibility study evaluates costs. Within the spreadsheet, we have noted for each site whether the projected costs are estimated, evaluated (in a Feasibility Study or Record of Decision), or known/existing. However, site conditions can change, which would impact the actual costs that maybe incurred. In addition, costs of goods and services needed to implement the remedy can also change over time.

In response to your question regarding future sites where the state might have financial obligations, this can be difficult to project. In any given year, new sites are discovered and may be reviewed by EPA Superfund's Site Assessment team and discussed with the state. A small percentage of sites are then selected to be included in our National Priorities List after a notice and comment rulemaking process. In the last few years, about one California site per year has been added to the NPL.

EPA is considering adding one California site to the NPL in the next year at the Argonaut Mine site. In early February, CalEPA Secretary Matt Rodriguez concurred with the proposed NPL listing of Argonaut Mine in Jackson, California. We anticipate that this listing will appear in our national listing package in April. At the Argonaut site, the state is currently doing cleanup work with EPA's support and will have the best estimates for their current costs at the site.

Finally, as a point of comparison, I wanted to provide Arizona as a contrasting example. Arizona is another state we work with on NPL sites in our Region. Arizona has nine active NPL sites. For these sites, the Arizona state legislature allocates \$7 million on a yearly basis, and authorizes up to \$15 million.

Please let us know if you have any questions about the information we are sending you. We'd be happy to get on the phone to discuss. As I mentioned above, we'll send you the supplement with the remaining four NPL sites later this week.

Regards,

Caleb Shaffer

Section Chief, California Site Cleanup Branch

Superfund Division

75 Hawthorne Street, San Francisco CA 94105

(415) 972-3336

From: Martin, Shawn [<mailto:Shawn.Martin@LAO.CA.GOV>]

Sent: Thursday, February 18, 2016 3:35 PM

To: Shaffer, Caleb <Shaffer.Caleb@epa.gov>

Subject: Legislative Analyst's Request

Hi Caleb,

Thank you for agreeing to provide information regarding California's existing and future financial obligations to pay for work at federal Superfund cleanup sites. As we discussed, I am trying to gain a better understanding of current state costs and also project future costs out five years through the 2020-21 state fiscal year. Can you please provide the following information:

1. A list/spreadsheet of orphan sites currently under remediation in California with: (a) the start date and a projected remediation completion/certification date, and (b) an estimated total cost. If possible please break the list/spreadsheet out into two categories: (1) sites that will require the state to perform operations and maintenance (O & M) after completion/certification, and (2) sites that will not require the state to perform O & M.
2. A list of orphan sites where the state is currently performing O & M. If you have any information about the costs to perform O & M at these sites it would be much appreciated. For example, letting us know that costs can vary significantly from year to year would help us to better understand the potential volatility of future state costs. Or, letting us know the range state O & M costs for a site are likely to fall in (for example between \$100,000 and \$500,000 annually) is useful.
3. Any information you can provide about NPL orphan sites currently in the pipeline where the state will have a share of cost for remediation and—if applicable—assume O & M responsibilities would be helpful. Particularly if there are large projects in the pipeline that will start up in the next five years.

If you have any questions please let me know. My Cel. Phone is (916) 804-6502.

Thanks,

Shawn Martin

Principal Fiscal and Policy Analyst

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